

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

NH LEARNING SOLUTIONS CORP.
and 5P NH HOLDING CO., LLC,

Plaintiffs,

v.

Civil Case No. 20-10904
Honorable Linda V. Parker

NEW HORIZONS FRANCHISING
GROUP, INC.,

Defendant.

ORDER TO SHOW CAUSE

On April 9, 2020, Plaintiffs filed this lawsuit against Defendant alleging state law claims, only. In the Complaint, Plaintiffs assert that this Court has diversity jurisdiction, 28 U.S.C. § 1332(a). Section 1332(a) provides in pertinent part that, “[t]he district courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of \$75,000, exclusive of interests and costs, and is between- (1) citizens of different States” 28 U.S.C. § 1332(a).

In the Complaint, Plaintiffs identify NH Learning Solutions Corporation as a Michigan corporation with its principal place of business in Livonia, Michigan. (Compl. ¶ 1, ECF No. 1 at Pg ID 1.) Plaintiffs further identify 5P NH Holding Company, LLC (“5PNH”) as a Texas limited liability corporation, with its

principal place of business in Austin Texas. (*Id.* ¶ 2, Pg ID 2.) Plaintiffs indicate that New Horizons Franchising Group, Inc. is a Delaware corporation, with its resident agent in Wilmington, Delaware, its principal place of businesses in Anaheim, California, and its Chief Executive Officer’s office in Tampa, Florida. (*Id.* ¶ 3, Pg ID 2.)

As a limited liability company, however, 5PNH is not like a corporation whose citizenship is determined by looking at its state of incorporation and its principal place of business. Rather, “an LLC ‘has the citizenship of each of its members.’ ” *Varsity Brands, Inc. v. Star Athletica, LLC*, 799 F.3d 468, 494 (6th Cir. 2015) (quoting *Delay v. Rosenthal Collins Grp., LLC*, 585 F.3d 1003, 1005 (6th Cir. 2009)). Plaintiffs’ Complaint fails to include a statement listing 5PNH’s individual members or the citizenship of those members.

Accordingly,

IT IS ORDERED that within fourteen (14) days of the date of this Order, Plaintiffs shall show cause as to why this action should not be dismissed for lack of subject matter jurisdiction.

s/ Linda V. Parker

LINDA V. PARKER
U.S. DISTRICT JUDGE

Dated: April 24, 2020